GOVERNMENT OF INDIA
COAL AND MINES
LOK SABHA

UNSTARRED QUESTION NO:2068
ANSWERED ON:03.12.2001
REVISION OF ROYALTY RATE ON MINERALS
M.V.V.S MURTHI;SHIVAJI MANE

Will the Minister of COAL AND MINES be pleased to state:

(a) whether the Union Government have received some requests from the various State Governments for revision of royalty rateson minerals;

(b) if so, the details thereof; and

(c) the action being taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES(SHRI RAVI SHANKAR PRASAD)

(a) to (c): Proposals are received from time to time from State Governments for revision ofrates of royalty on different minerals by the Central Government. Conventionally, a Study Group is constituted in the Department/Ministry concerned to review the rates of royalty on major minerals which comprises representatives of State Governments, the Industry, the Technical Institutions and other concerned Ministries/Departments. The Study Group makes recommendations about the rates of royalty after holding broad-based consultations which are considered by the Government and final revision of the rates of royalty is notified in the Official Gazette. Department of Mines had set up a Study Group vide office memorandum dated 5.10.1998. Study Group submitted its recommendations in March,2000. On the basis of the recommendations, the rates of royalty for major minerals(other than coal, lignite and sand for stowing) have been notified w.e.f. 12.9.2000. As per Sec.9(3) of the Mines and Minerals(Development & Regulation)Act,1957, upward revision of royalty for major minerals(other than coal, lignite & sand for stowing) is not due before 12.9.2003. Revised rates of royalty for lignite were notified vide Gazette notification dated the 15th March, 2001. Hencethe upward revision of royalty for lignite is not due before 15.3.2004.

A Committee under the Chairmanship ofAdditional Secretary(Coal) has been appointed to consider therevision of royalty rates on coal. The Committee is expected to submit its report shortly.